

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

March 1, 2011

LEASE NO.

GS-03B-11303

THIS LEASE, made and entered into this date by and between

Seagull Investments

whose address is c/o Frank Gallo  
509 Route 70 West  
Cherry Hill, NJ 08002-3525

and whose interest in the property hereinafter described is that of Owner

Whereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises: Approximately 1,782 rentable square feet (to yield approximately 1,550 ANSI/BOMA Office Area square feet) of office space located on part of the first floor of the premises known and designated as 1423 Tilton Road, Northfield, New Jersey 08225-1857, as shown on the floor plan labeled Exhibit

"A" attached hereto and made a part hereof, together with 80 on-site parking spaces to be used for such purposes as determined by the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on See Lease Rider Paragraph 13 subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$See Lease Rider Paragraph 13 at the rate of \$See Lease Rider Paragraph 13 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Seagull Investments  
c/o Frank Gallo  
509 Route 70 West  
Cherry Hill, NJ 08002-3525

4. The Government may terminate this lease in part or in whole at any time after the fifth (5th) year by giving at least 90 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

(Intentionally deleted)

~~provided notice be given in writing to the Lessor at least 60 days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All services, utilities, maintenance, operations, and other considerations as set forth in this lease.

7. The following are attached and made a part hereof:

A. Rider to Lease

B. SFO No. 0NJ2045

C. GSA Form 3517A, General Clauses

D. GSA Form 3518A, Representations and Certifications

E. Exhibit "A": plan of existing space

8. The following changes were made in this lease prior to its execution:

SFO Paragraphs 1.1, 1.3, 1.6, 1.7, 1.9, 2.1, 2.3, 2.4A, 3.1, 3.4, 3.5A, 3.6A, were deleted. Paragraph 11.1 was expanded to include "Required Work".

This lease contains 60 pages.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR **Seagull Investments**

BY \_\_\_\_\_

MANAGER

(Title)

509 Rt 70 W Cherry Hill, NJ

(Address)

\_\_\_\_\_  
S ADMINISTRATION, PUBLIC BUILDINGS SERVICE

Contracting Officer

(Official title)

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9. In no event shall the Lessor enter into negotiations concerning the space leased with representatives of Federal agencies other than Contracting Officers and their designated representatives of the General Services Administration. All change orders shall be ordered by a GSA Contracting Officer.

10. The total percentage of space occupied by the Government under the terms of the lease is equal to 12.729% percent of the total space available in the Lessor's building, and will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in the Annual Real Estate Tax Escalation Clause. The percentage of occupancy is derived by dividing the total Government space of 1,782 rentable square feet by the total building space of 14,000 rentable square feet.

11. Common Area Factor

The Common Area Factor of this building for this Government lease that is applied to the ANSI/BOMA Office Area square feet to determine the rentable square feet is 14.97%.

12. For purposes of determining the base rate for future adjustments to the operating cost the Government agrees that the base rate quoted on the "Lessor's Annual Cost Statement", (GSA Form 1217) dated, July 6, 2010 which is \$3.93 per ANSI/BOMA Office Area square foot is acceptable. This figure includes the Government's pro-rata share of operating costs. The Government retains the right to inspect and review the Lessor's records to verify the costs listed on the GSA Form 1217 and/or to require a certified audit report.

13. Lessor shall complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government within 60 days from the date hereof. When Lessor has completed all such alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected.

Upon the date of completion of such alterations, improvements, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for 10 consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

Initial:     *J*     &     *BJ*      
Lessor                      Gov't.

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Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 4.1 of the lease, "MEASUREMENT OF SPACE", at the rate of:

**Years 1 through 5:**

A total annual rent of \$33,131.00 (\$21.37 per ANSI/BOMA Office Area Square Foot), plus accrued escalations, payable at the rate of \$2,760.92 per month in arrears, consisting of:

**Shell Rent:** \$27,041.00 (\$17.45 per ANSI/BOMA Office Area Square Foot).

**Annual Cost of Services:** \$6,090.00 (\$3.93 per ANSI/BOMA Office Area Square Foot) plus accrued escalations per Paragraph 4.3, Operating Costs.

**Years 6 through 10:**

A total annual rent of \$35,570.85 (\$22.95 per ANSI/BOMA Office Area Square Foot), plus accrued escalations, payable at the rate of \$2,964.24 per month in arrears, consisting of:

**Shell Rent :** \$29,480.85 (\$19.02 per ANSI/BOMA Office Area Square Foot).

**Annual Cost of Services:** \$6,090.00 (\$3.93 per ANSI/BOMA Office Area Square Foot), plus accrued escalations per Paragraph 4.3, Operating Costs.

In addition to the stipulated rental rates above, the Lessor will perform up to \$3,730.00 in Tenant Improvements as may be requested by the Government. The Government will pay lump sum for the Tenant Improvement costs, of which the scope of work and payment method shall be established in a forthcoming Supplemental Lease Agreement (SLA).

If the Government spends more than the allowance identified above, the Government reserves the right to 1) reduce the Tenant Improvement requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

14. The Lessor's cost for TI overhead and profit shall be 0%.

15. COMMISSION AND COMMISSION CREDIT: The Lessor and the Broker have agreed to a cooperating lease commission of      of the firm term value of the lease.

Initial:     *W* & *BF*      
Lessor                  Gov't.

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The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forgive [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent..

First Month's Rental Payment of \$2,760.92 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Months Rent.

Second Month's Rental Payment of \$2,760.92 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Months Rent.

Third Month's Rental Payment shall commence in full.

16. The Government may terminate this lease in part or in whole at any time after the fifth (5<sup>th</sup>) full year of occupancy upon 90 day's written notice to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

17. In accordance with Paragraph 4.6 of the lease, the additional cost to the Government for overtime use of Government leased space is \$0.00 per hour.

18. Adjustment for Vacant Premises: Pursuant to Paragraph 4.4 of the lease, the adjustment for vacant premises rate shall be \$2.50 per ANSI/BOMA office area square foot.

19. It is understood and agreed that the Government retains title to all removable property covered by this agreement and may remove same if so desired. In the event

Initial:     *W* & *LB*      
                    Lessor      Gov't.

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such are not removed by the Government at the end of this lease term, or any extension thereof, title shall vest in the Lessor and all right of restoration waived.

20. Definitions:

- A. Where the word "Offeror" appears it shall be considered "Lessor"
- B. Where the word "should" appears it shall be considered to be "shall"
- C. Where the word(s) "Solicitation" or "Solicitation for Offers" appears it shall be considered to be "Lease"

21. The Lessor, at its own cost and expense, shall obtain any required permits for the preparation of the space.

22. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to, repairs, alterations, or overtime services, nor will any rental be paid for occupancy in whole or in part except for the Lease term specified herein, unless approved in advance and in writing by an authorized official of the General Services Administration.

Initial: JS & BP  
Lessor Gov't.